

# WEED Cannabis ETF

Investment Case June 2024



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Investors should consider the investment objectives, risk, charges and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about The Roundhill Cannabis ETF please call 1-877-220-7649 or visit the website at [roundhillinvestments.com/etf/weed](https://roundhillinvestments.com/etf/weed).

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# Cannabis Sector Overview



**Cannabis**, also known as marijuana, is used both **recreationally** and for its **medical properties**.

**Public cannabis companies** operate different types of cannabis-related business, including:

- Cultivation
- Distribution
- Pharmaceutical, real estate, and technology

The cannabis market is expected to grow significantly as global regulatory momentum continues.



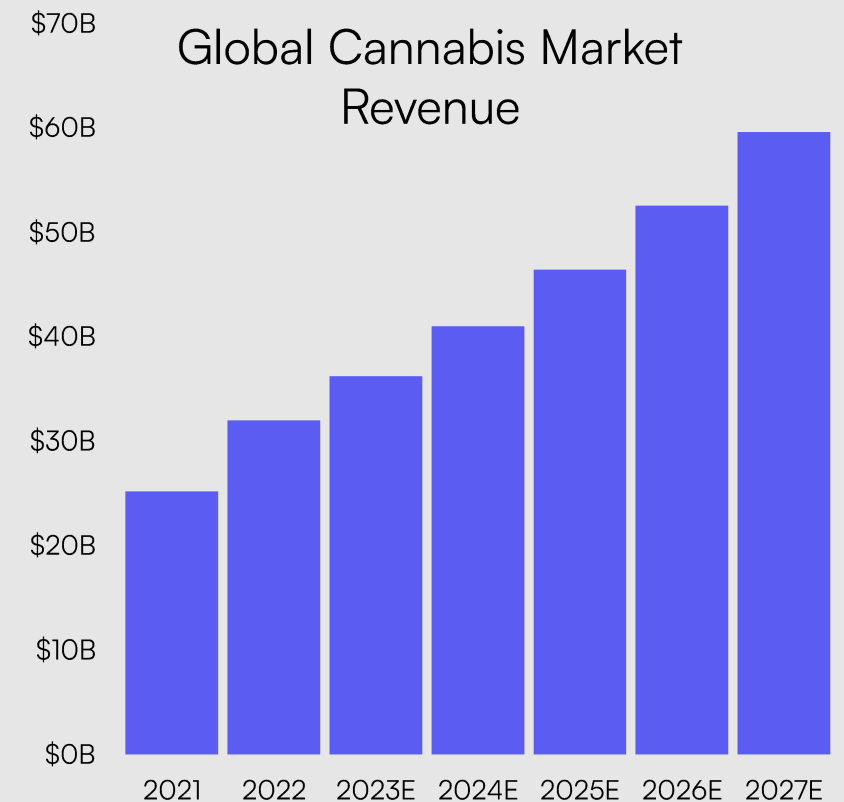


## Global Market Size

The global cannabis market **continues to grow at a rapid pace** as more governments embrace legal cannabis.

Despite economic uncertainties and inflation, global legal cannabis spending demonstrated resilience by **growing 4.8% to \$32 billion in 2022**.

The market is expected to continue to grow at a compound annual growth rate (CAGR) of 13.2% from 2022 to 2027, projecting a **market size of \$59.6 billion by 2027**.



Source: BDSA, report as of 2/22/2023.



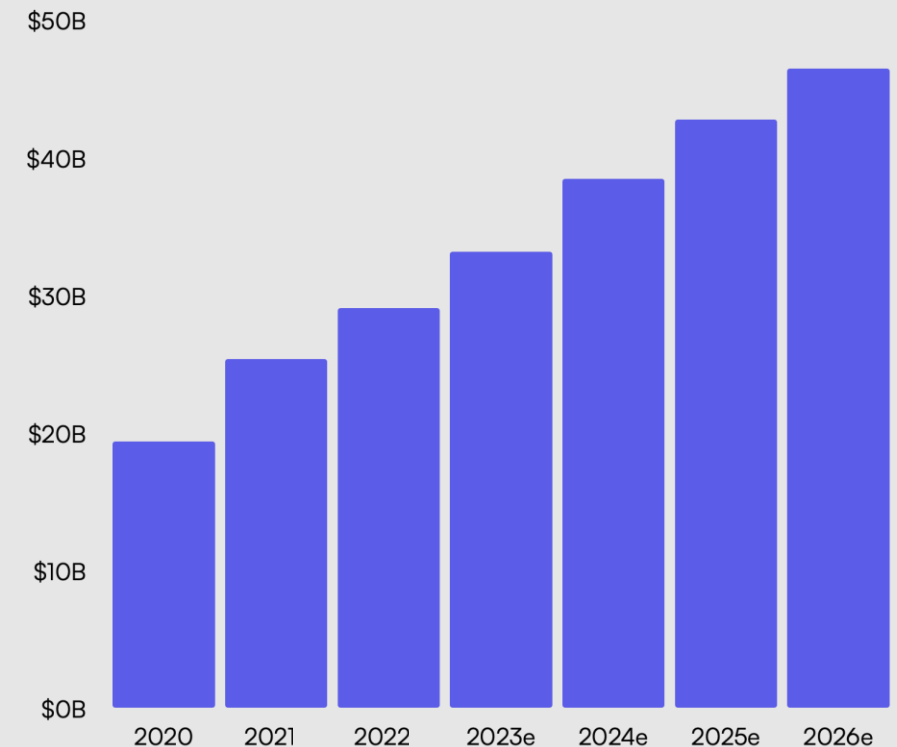
## U.S. Market Growth

While recreational cannabis remains illegal at the federal level, **the U.S. has surpassed Canada to become the largest legal cannabis market globally.**

According to the 2023 MJBiz Factbook, the U.S. cannabis industry is poised for significant growth, with sales projected to reach over **\$40 billion by 2026.**

The U.S. cannabis industry is transitioning from primarily medical to an increasing focus on adult-use markets, driven by the **maturation of the industry** and the approval of recreational programs in states with massive potential markets such as New York.

### U.S. Cannabis Market Revenue



Source: MJBizDaily, Headset, State data, Needham & Company, LLC. Forecasts are subject to business, economic, and competitive uncertainties. Accordingly, there can be no assurance that estimates and projections will be realized.



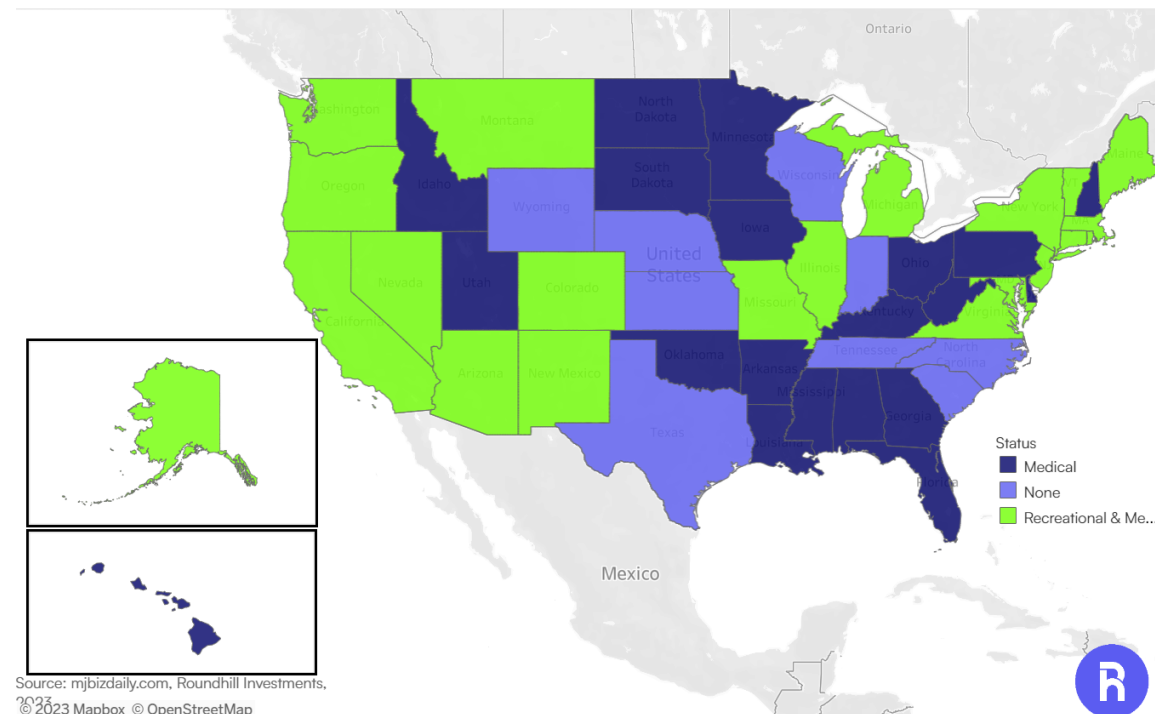
## Market Opportunity: Legalization

California was the first state to legalize medical cannabis in 1996. As of January 2023, medical marijuana is legal in 39 states, as well as Washington D.C.

Meanwhile, **recreational cannabis use is currently legal in 21 states and Washington D.C.**

According to Gallup, More than **two in three Americans (68%)** support legalizing cannabis. By comparison, only 12% of Americans were in favor when Gallup first polled in 1969.

U.S. Cannabis Legalization Map





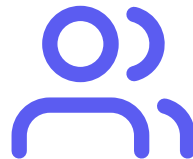
# Introducing **WEED**: The Cannabis ETF

## 3 Reasons to consider WEED ETF:



### Market Growth

The global legal cannabis market is set for substantial growth, with sales projected to reach \$61 billion by 2026.



### Legalization Momentum

As of now, cannabis is legal in 39 states, reflecting a nationwide shift towards legalization.



### Bipartisan Support

Cannabis legalization enjoys widespread acceptance, with 68% of Americans expressing their support for it.

| Ticker | Primary Exchange | Inception Date | Gross Expense Ratio <sup>1</sup> | Net Expense Ratio <sup>2</sup> | CUSIP     |
|--------|------------------|----------------|----------------------------------|--------------------------------|-----------|
| WEED   | Cboe BZX         | 04/20/2022     | 0.40%                            | 0.00%                          | 53656F128 |

As of 6/30/2024. Information is subject to change and is not a guarantee of future results.  
<sup>1</sup> Reflects fees incurred by the Fund before waivers and reimbursements, including but not limited to management fees, 12b-1 fees, and acquired fund fees and expenses.  
<sup>2</sup> Net expenses reflect fees incurred by the Fund after waivers and reimbursements -- fee waivers for WEED are contractual and in effect until at least July 1, 2025.



# WEED — The Roundhill Cannabis ETF

For more information:

Website: [roundhillinvestments.com](https://roundhillinvestments.com)

Twitter: @roundhill

LinkedIn: Roundhill Investments

## Risk Disclosure:

The case study commentaries provided is for informational purposes only and is not an endorsement of any investment or security. The views expressed herein are subject to change and do not constitute investment advice or a recommendation regarding any specific product or security.

Investing involves risk including possible loss of principal. Because the Fund is “non-diversified,” it may invest a greater percentage of its assets in the securities of a single issuer or a lesser number of issuers than if it was a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a lesser number of issuers than a fund that invests more widely. This may increase the Fund’s volatility and cause the performance of a relatively small number of issuers to have a greater impact on the Fund’s performance.

Companies involved in the cannabis industry face intense competition, may have limited access to the services of banks, may have substantial burdens on company resources due to litigation, complaints or enforcement actions, and are heavily dependent on receiving necessary permits and authorizations to engage in medical cannabis research or to otherwise cultivate, possess or distribute cannabis. Since the cultivation, possession, and distribution of cannabis can be illegal under United States federal law under certain circumstances, federally regulated banking institutions may be unwilling to make financial services available to growers and sellers of cannabis.

Cannabis-related companies are subject to various laws and regulations that may differ at the state/local and federal level. Laws and regulations related to the possession, use (medical or recreational), sale, transport and cultivation of marijuana vary throughout the world, and the Fund will only invest in non-U.S. Cannabis Companies if such companies are operating legally in the relevant jurisdiction. These laws and regulations may (i) significantly affect a cannabis-related company’s ability to secure financing, (ii) impact the market for marijuana industry sales and services, and (iii) set limitations on marijuana use, production, transportation, and storage.

In addition, cannabis-related companies are subject to the risks associated with the greater agricultural industry, including changes to or trends that affect commodity prices, labor costs, weather conditions, and laws and regulations related to environmental protection, health and safety. Cannabis-related companies may also be subject to risks associated with the biotechnology and pharmaceutical industries. These risks include increased government regulation, the use and enforcement of intellectual property rights and patents, technological change and obsolescence, product liability lawsuits, and the risk that research and development may not necessarily lead to commercially successful products.

As an ETF, the fund may trade at a premium or discount to NAV. Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund. Due to the costs of buying or selling Shares, including brokerage commissions imposed by brokers and bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.

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